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OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



DARLENE GREEN
Comptroller

Internal Audit Section

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DR. KENNETH M. STONE, CPA
Internal Audit Executive

November 25, 2008

Priscilla Block, Executive Director
St. Louis Artworks
3547 Olive, Suite 280
St. Louis, MO 63103

RE: Fiscal Monitoring Review of St. Louis Artworks, Workforce Investment Act (WIA)
Program, Contract #227-08, CFDA #17.259 (Project #2008-SLATE5)

Dear Ms. Block:

Enclosed is a report of our fiscal monitoring review of St. Louis Artworks, a not-for-profit organization, WIA Program, for the period of July 1, 2007 through November 30, 2007. The scope of a fiscal monitoring review is substantially less than an audit and, as such, we do not express an opinion on the financial operations of St. Louis Artworks. Our fieldwork was complete on March 21, 2008.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised, and has been conducted in accordance with the *International Standards of the Professional Practice of Internal Auditing* and through an agreement with the City of St. Louis Agency on Training and Employment (SLATE) to provide fiscal monitoring to all grant subrecipients.

If you have any questions, please contact the Internal Audit Section at (314) 622-4723.

Sincerely,

A handwritten signature in cursive script that reads "Kenneth M. Stone".

Dr. Kenneth M. Stone, CPA
Internal Audit Executive

Enclosure

cc: Michael Holmes, Executive Director, SLATE
Kim Neske, Fiscal Manager, SLATE



CITY OF ST. LOUIS

ST. LOUIS AGENCY ON TRAINING AND EMPLOYMENT

*ST. LOUIS ARTWORKS
WORKFORCE INVESTMENT ACT (WIA) PROGRAM
CONTRACT #227-08
CFDA #17.259*

*FISCAL MONITORING REVIEW
JULY 1, 2007 THROUGH NOVEMBER 30, 2007
PROJECT #2008-SLATE5*

DATE ISSUED: NOVEMBER 25, 2008

*Prepared by:
Internal Audit Section*



OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

CITY OF ST. LOUIS
ST. LOUIS AGENCY ON TRAINING AND EMPLOYMENT
ST. LOUIS ARTWORKS
WORKFORCE INVESTMENT ACT (WIA) PROGRAM
FISCAL MONITORING REVIEW
JULY 1, 2007 THROUGH NOVEMBER 30, 2007

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**CITY OF ST. LOUIS
ST. LOUIS AGENCY ON TRAINING AND EMPLOYMENT
ST. LOUIS ARTWORKS
WORKFORCE INVESTMENT ACT (WIA) PROGRAM
FISCAL MONITORING REVIEW
JULY 1, 2007 THROUGH NOVEMBER 30, 2007**

INTRODUCTION

Background

Contract Name: St. Louis Artworks

Contract Number: 227-08

CFDA Number: 17.259

Contract Period: July 1, 2007 through June 30, 2008

Contract Amount: \$96,671

This contract provides funds through the St. Louis Agency on Training and Employment (SLATE) to St. Louis Artworks (Agency) for its Workforce Investment Act (WIA) "Creative Futures" program. This program is designed to offer year-round after-school and summer employment to 17 apprentices, with the work modeled after the Artworks Summer Program, supplemented by additional training and learning experiences and case management services.

Purpose

The purpose of the review was to determine the Agency's compliance with federal (including OMB Circular A-133), state and local SLATE requirements for the period July 1, 2007 through November 30, 2007, and make recommendations for improvements as necessary.

Scope and Methodology

Inquiries were made regarding the Agency's internal controls relating to WIA program, tested evidence supporting the reports the Agency submitted to SLATE and performed other procedures as considered necessary. The fieldwork was complete on March 21, 2008.

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INTRODUCTION

Exit Conference

The Agency was offered an exit conference on June 24, 2008, but the Agency declined.

Management's Responses

On June 24, 2008, the agency was provided with the draft report and requested a response to the observation noted in the report by July 7, 2006. However, as of the date of this report, the Agency has not responded.

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CONCLUSION AND SUMMARY OF OBSERVATIONS

Conclusion

St. Louis Artworks did not fully comply with federal(including OMB Circular A-133), state and local SLATE requirements.

Status of Prior Observations

The previous fiscal monitoring report of the Agency, dated January 24, 2007, conducted by the Internal Audit Section, did not contain any observations.

A-133 Status

According to a letter received from Agency's management, dated January 7, 2008. St. Louis Artworks was not required to obtain an A-133 audit for the period ended December 31, 2007 because they did not expend \$500,000 or more in federal funds.

Summary of Current Observations

A recommendation was made for the following observation, which if implemented, could assist the Agency in fully complying with federal (including OMB Circular A-133), state and local SLATE requirements:

- The Agency did not submit monthly reimbursement requests in a timely manner.

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**DETAILED OBSERVATIONS, RECOMMENDATIONS,
AND MANAGEMENT'S RESPONSES**

The Agency did not Submit Monthly Reimbursement Requests in a Timely Manner

According to the SLATE contract #227-08, Section 19, Payments under the Contract:

1. A monthly reimbursement request form must be received by SLATE's fiscal manager no later than five business days following the end of each reporting period (i.e. by fifth working day of the month).
2. Reimbursement requests received after the five business days period will be charged a 5% non-compliance penalty assessed to the requested reimbursement amount.
3. Processing may also be delayed upon Contractee's failure to comply with requirements relating to the submission of data and progress reports as specified in detail in this Contract ."

The Agency's reimbursement request for November, 2007 was marked as having been received by SLATE on December 12, 2007.

Recommendation

We recommend that the Agency submit their reimbursement requests by the fifth working day of the month.

Management's Response

On June 24, 2008, we provided the Agency with our draft report and requested a response to the observation noted in the report by July 07, 2006. However, as of the date of this report, the Agency has not responded.